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Media Release

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Attorney General's office announces settlement with Michelin regarding advertisements promoting fuel-efficiency savings

Wilmington, DE – Today the Delaware Attorney General's Office announced an agreement with Michelin North America, Inc. ("Michelin") following a 17-state investigation concerning representations it made in its advertising of fuel-efficient tires. Under the agreement, Michelin will make business practice improvements and will pay \$375,000 to the participating states. Delaware will receive \$22,500, which will be paid to the state's Consumer Protection Fund.

"We are taking action today to ensure that consumers can rely on claims made by companies when promoting their products," stated Timothy Mullaney, Director of the Attorney General's Fraud and Consumer Protection Division.

The states allege that in May or June 2008 Michelin advertisements began promoting savings associated with its fuel-efficient tires. These included advertisements in the Wall Street Journal and USA Today, as well as on radio and television. The ads contained representations such as "It's time to fight back. Michelin fuel-efficient, long-lasting tires help you save money" and "Michelin makes the most fuel-efficient line of tires on the road, which saves you money over the life of your tires."

The states allege that Michelin's fuel efficiency advertisements did not adequately disclose that advertised costs savings were based solely on savings in fuel costs. Other factors that may affect savings include initial tire cost and average life of the tire in terms of mileage. Moreover, the states' review of Michelin's own studies indicates that its tires are not the most fuel efficient in every class of tires. The states also expressed concern that footnote disclosures in Michelin's fuel efficiency advertisements were not clear and conspicuous.

Under the terms of the settlement, Michelin has agreed to possess competent and reliable scientific evidence substantiating any fuel efficiency claim regarding its tires and to make other business practice improvements. The states acknowledge that Michelin fully cooperated with the investigation and the investigation did not question the safety or quality of Michelin's tires.

Delawareans are urged to report consumer fraud to the Attorney General's Consumer Hotline by calling 1-800-200-5424 or visiting www.attorneygeneral.delaware.gov.

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